



General Assembly

February Session, 2022

Raised Bill No. 5215

LCO No. 1804



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT REQUIRING MORTGAGEES TO DELIVER MORTGAGE
RELEASES TO THE TOWN CLERK AND TO ACCEPT CERTAIN
FORMS OF PAYMENT.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (a) of section 49-8 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2022*):

4 (a) The mortgagee or a person authorized by law to release the
5 mortgage shall execute and deliver to the town clerk of the town in
6 which the real estate is situated a release to the extent of the satisfaction
7 tendered before or against receipt of the release: (1) Upon the
8 satisfaction of the mortgage; (2) upon a bona fide offer to satisfy the
9 mortgage in accordance with the terms of the mortgage deed upon the
10 execution of a release; (3) when the parties in interest have agreed in
11 writing to a partial release of the mortgage where that part of the
12 property securing the partially satisfied mortgage is sufficiently definite
13 and certain; or (4) when the mortgagor has made a bona fide offer in
14 accordance with the terms of the mortgage deed for such partial

15 satisfaction on the execution of such partial release. The mortgagee or
16 such person shall deliver a copy of such release to the mortgagor.

17 Sec. 2. Section 49-8a of the general statutes is repealed and the
18 following is substituted in lieu thereof (*Effective October 1, 2022*):

19 (a) For the purposes of this section and section 49-10a:

20 (1) "Mortgage loan" means a loan secured by a mortgage on one, two,
21 three or four family residential real property located in this state,
22 including, but not limited to, a residential unit in any common interest
23 community, as defined in section 47-202.

24 (2) "Person" means an individual, corporation, limited liability
25 company, business trust, estate, trust, partnership, association, joint
26 venture, government, governmental subdivision or agency, or other
27 legal or commercial entity.

28 (3) "Mortgagor" means the grantor of a mortgage.

29 (4) "Mortgagee" means the grantee of a mortgage; provided, if the
30 mortgage has been assigned of record, "mortgagee" means the last
31 person to whom the mortgage has been assigned of record; and
32 provided further, if the mortgage has been serviced by a mortgage
33 servicer, "mortgagee" means the mortgage servicer.

34 (5) "Mortgage servicer" means the last person to whom the mortgagor
35 has been instructed by the mortgagee to send payments of the mortgage
36 loan. The person who has transmitted a payoff statement shall be
37 deemed to be the mortgage servicer with respect to the mortgage loan
38 described in that payoff statement.

39 (6) "Attorney-at-law" means any person admitted to practice law in
40 this state and in good standing.

41 (7) "Title insurance company" means any corporation or other
42 business entity authorized and licensed to transact the business of
43 insuring titles to interests in real property in this state.

44 (8) "Institutional payor" means any bank or lending institution that,
45 as part of making a new mortgage loan, pays off the previous mortgage
46 loan.

47 (9) "Payoff statement" means a statement of the amount of the unpaid
48 balance on a mortgage loan, including principal, interest and other
49 charges properly assessed pursuant to the loan documentation of such
50 mortgage and a statement of the interest on a per diem basis with
51 respect to the unpaid principal balance of the mortgage loan.

52 (b) If a mortgagee fails to execute and deliver a release of mortgage
53 to the mortgagor or to the mortgagor's designated agent within sixty
54 days from receipt by the mortgagee of payment of the mortgage loan (1)
55 in accordance with the payoff statement furnished by the mortgagee, or
56 (2) if no payoff statement was provided pursuant to a request made
57 under section 49-10a, in accordance with a good faith estimate by the
58 mortgagor of the amount of the unpaid balance on the mortgage loan
59 using (A) a statement from the mortgagee indicating the outstanding
60 balance due as of a date certain, and (B) a reasonable estimate of the per
61 diem interest and other charges due, any attorney-at-law or duly
62 authorized officer of either a title insurance company or an institutional
63 payor may, on behalf of the mortgagor or any successor in interest to the
64 mortgagor who has acquired title to the premises described in the
65 mortgage or any portion thereof, execute and cause to be recorded in
66 the land records of each town where the mortgage was recorded, an
67 affidavit which complies with the requirements of this section.

68 (c) An affidavit pursuant to this section shall state that:

69 (1) The affiant is an attorney-at-law or the authorized officer of a title
70 insurance company, and that the affidavit is made on behalf of and at
71 the request of the mortgagor or the current owner of the interest
72 encumbered by the mortgage;

73 (2) The mortgagee has provided a payoff statement with respect to
74 the mortgage loan or the mortgagee has failed to provide a payoff
75 statement requested pursuant to section 49-10a;

76 (3) The affiant has ascertained that the mortgagee has received
77 payment of the mortgage loan (A) in accordance with the payoff
78 statement, or (B) in the absence of a payoff statement requested
79 pursuant to section 49-10a, in accordance with a good faith estimate by
80 the mortgagor of the amount of the unpaid balance on the mortgage
81 loan calculated in accordance with subdivision (2) of subsection (b) of
82 this section, as evidenced by a bank check, certified check, attorney's
83 clients' funds account check or title insurance company check, which has
84 been negotiated by the mortgagee or by other documentary evidence of
85 such receipt of payment by the mortgagee, including a confirmation of
86 a wire transfer;

87 (4) More than sixty days have elapsed since payment was received by
88 the mortgagee; and

89 (5) At least fifteen days prior to the date of the affidavit, the affiant
90 has given the mortgagee written notice by registered or certified mail,
91 postage prepaid, return receipt requested, of intention to execute and
92 cause to be recorded an affidavit in accordance with this section, with a
93 copy of the proposed affidavit attached to such written notice; and that
94 the mortgagee has not responded in writing to such notification, or that
95 any request for additional payment made by the mortgagee has been
96 complied with at least fifteen days prior to the date of the affidavit.

97 (d) Such affidavit shall state the names of the mortgagor and the
98 mortgagee, the date of the mortgage, and the volume and page of the
99 land records where the mortgage is recorded. The affidavit shall provide
100 similar information with respect to every recorded assignment of the
101 mortgage.

102 (e) The affiant shall attach to the affidavit (1) photostatic copies of the
103 documentary evidence that payment has been received by the
104 mortgagee, including the mortgagee's endorsement of any bank check,
105 certified check, attorney's clients' funds account check, title insurance
106 company check, or confirmation of a wire transfer, and (2) (A) a
107 photostatic copy of the payoff statement, or (B) in the absence of a payoff

108 statement requested pursuant to section 49-10a, a copy of a statement
 109 from the mortgagee that is in the possession of the mortgagor indicating
 110 the outstanding balance due on the mortgage loan as of a date certain
 111 and a statement setting out the mortgagor's basis for the estimate of the
 112 amount due, and shall certify on each that it is a true copy of the original
 113 document.

114 (f) Such affidavit, when recorded, shall constitute a release of the lien
 115 of such mortgage or the property described therein.

116 (g) The town clerk shall index the affidavit in the name of the original
 117 mortgagee and the last assignee of the mortgage appearing of record as
 118 the grantors, and in the name of the mortgagors and the current record
 119 owner of the property as grantees.

120 (h) Any person who causes an affidavit to be recorded in the land
 121 records of any town in accordance with this section having actual
 122 knowledge that the information and statements therein contained are
 123 false shall be guilty of a class D felony.

124 (i) A mortgagee shall accept as payment tendered for satisfaction or
 125 partial satisfaction of a mortgage a bank check, certified check,
 126 attorney's clients' funds account check, title insurance company check,
 127 wire transfer or any other form of payment authorized under federal
 128 law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2022	49-8(a)
Sec. 2	October 1, 2022	49-8a

Section 1	October 1, 2022	49-8(a)
Sec. 2	October 1, 2022	49-8a

Statement of Purpose:

To require mortgagees to deliver mortgage releases to the town clerk and to accept certain forms of payment in satisfaction or partial satisfaction of a mortgage.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

